

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

July 7, 2021

Global Markets

The US ISM services PMI came in weaker than expected in June, falling by 3.9pts to 60.1, the lowest level since February, while major components fell sharply, including employment, which dropped below 50.0 for the first time in the last six months. Against this background, USTs gained sharply also favored by an unexpected drop in oil prices, with 10-yr yields falling further today to a 4½ -month low of 1.335% ahead of the FOMC minutes from the June meeting. In FX markets, the EUR/USD weakened testing levels close to 1.18 following a string of weak German data. IP dropped by 0.3%MoM and industrial orders unexpectedly fell by 3.7%MoM, both for May, while July's ZEW indicator of economic sentiment declined by a higher than expected 16.5pts to 63.3.

Greece

According to press, the tourism industry is now revising downwards its estimate for tourism receipts in 2021, which are now expected to reach 30-35% of those in 2019, i.e. about €6bn, instead of the previously projected 45%, i.e. c. €8.2bn. On the positive side, as of July 19, fully vaccinated visitors to Greece from the UK will not be obliged to quarantine upon their return home, which is expected to stimulate traffic from this market. Meanwhile, in its quarterly report, the Foundation for Economic and Industrial Research foresees in the baseline scenario faster-than-expected real GDP growth of 5.0-5.5% in 2021. The baseline scenario assumes no new outbreak of the pandemic in H2-2021, faster-than-expected recovery in the Eurozone and higher support interventions and resources from the RRF than foreseen in the budget.

CESEE

The Serbian Ministry of Finance has scheduled to offer today EUR75.1mn in 12-year treasury bonds by reopening the issue of March 24. The T-bonds carry a coupon of 1.5% paid annually and mature on March 26, 2033. At the first auction held on March 24, the identical bonds were sold at an average yield of 1.74% with the transaction capped at EUR24.9mn compared to the initially targeted amount of EUR100mn. Today the remaining issued amount will be sought to be sold amid recent positive news regarding the economic outlook of the country. Specifically, President Aleksandar Vucic stated earlier in the week that GDP growth in Q2-2021 is expected to reach 15% YoY, which if realised, will be an historic high quarterly print, paving the way for a yearly GDP growth performance of 7%.

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GLOBAL MARKETS

Stock markets

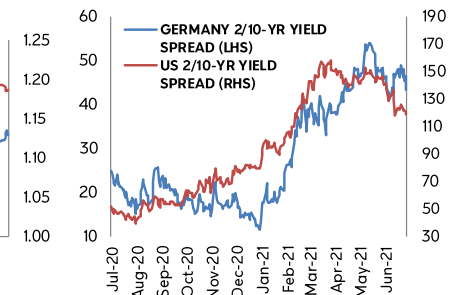
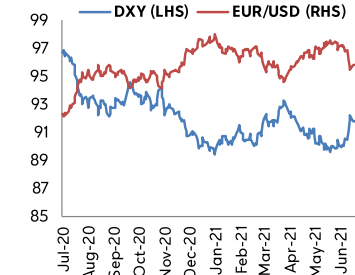
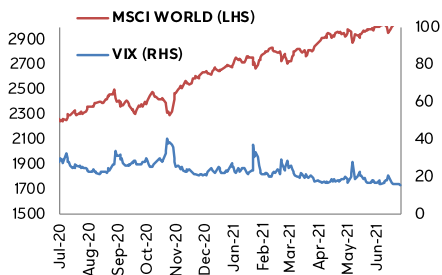
	Last	ΔD	ΔYTD
S&P 500	4352.34	0.75%	15.9%
Nikkei 225	28643.21	0.2%	4.4%
STOXX 600	457.78	-0.1%	14.7%

FOREX

	Last	ΔD	ΔYTD
EUR/USD	1.1884	0.2%	-2.7%
GBP/USD	1.3888	0.3%	1.6%
USD/JPY	110.86	0.1%	-6.9%

Government Bonds

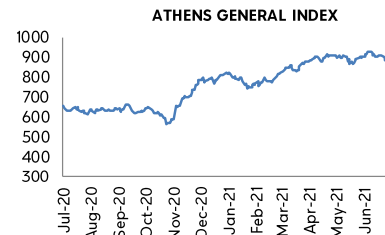
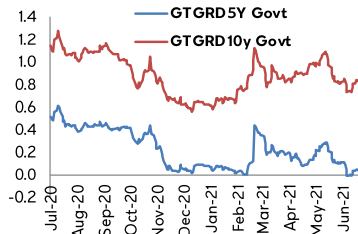
(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	1.43	1	52
Bund-10yr	-0.21	0	36
JGB - 10yr	0.04	1	2



GREECE

Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	0.00	0	-8
10Y Bond	0.80	0	18
Δ(10YBund-10YGGB)	1.01	0	-18



EMERGING MARKETS

Stock markets

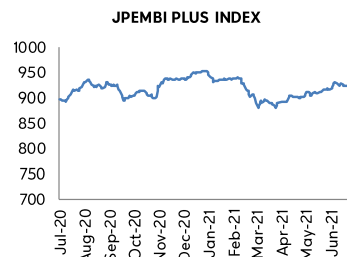
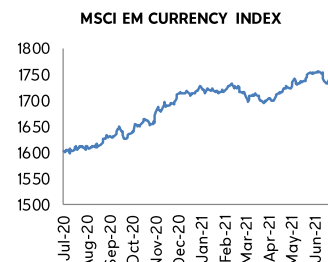
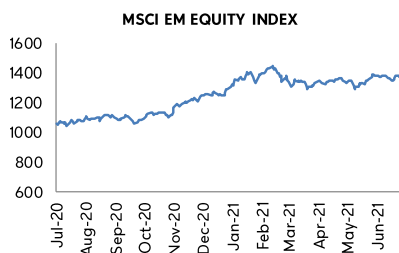
	Last	ΔD	ΔYTD
SOFIX	55182	0.0%	23.3%
BELEX	771.62	-0.1%	307.4%
XU100	1395.47	0.2%	-550.2%

FOREX

	Last	ΔD	ΔYTD
EUR/PLN	4.5046	0.0%	1.2%
EUR/RSD	117.576	0.0%	0.0%
USD/TRY	8.6519	0.2%	-14.0%

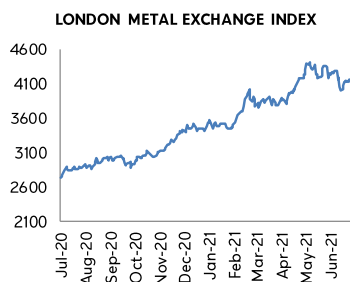
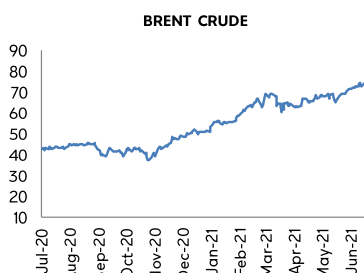
Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	6.27	-5	86
BG 8Y yield	Invalid Security		
PL 10Y yield	1.74		



COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1806	0.8%	-4.9%
BRENT CRUDE	78	0.5%	49.7%
LME X	4195	0.8%	22.8%



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